



PRESS RELEASE: CVRMC Responds to State Expansion of Medicaid

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After much public opposition to the federally mandated Affordable Care Act, also known as "Obama Care," Arizona Governor Jan Brewer changed her perspective and expressed her support for the expansion of Medicaid (AHCCCS) recently at the Maricopa Medical Center. Flanked by business leaders and health care advocates, Governor Brewer stated, "My concerns about the Affordable Care Act are well-known, but it is the law of the land. With this expansion, Arizona can leverage nearly \$8 billion in federal funds over four years, save or protect thousands of quality jobs and protect our critical rural and safety-net hospitals."

Arizona will receive \$7.9 billion in federal funds over four years with \$1.6 billion in the first year alone. This money will insure coverage to hundreds of thousands of low-income Arizona residents. In her State of the State address two weeks ago, Governor Brewer stated she wanted to expand Arizona's Medicaid program to include anyone who makes up to 133 percent of the federal poverty level, or \$14,856 for an individual. This funding would also allow the State to provide health insurance for an additional 240,000 Arizonans and continue insuring 50,000 childless adults who would otherwise lose coverage at the end of this year when the federal waiver to cover this group expires. These are patients with cancer, debilitating chronic diseases, and mental health illnesses. The alternative to coming on-board with the expansion of Medicaid would be to put rural and safety-net hospitals at risk of sustaining their level of care to patients, losing health care jobs, and losing the federal funds.

"The business and health care communities are uniting with me in this effort because they know how important this issue is to Arizona. I'm grateful for their support and am confident it will grow as we continue to make our case across this state," stated Governor Brewer. Neal Jensen, CEO of CVRMC, the region's only critical access, safety-net hospital is in support of Governor Brewer's decision to expand Medicaid coverage. "With or without expansion, patient-centered care will continue to be CVRMC's focus. I commend Governor Brewer for what must have been a very difficult decision. This will provide insurance to the many at risk Arizonans that need medical care." Mr. Jensen, also a board member of the Arizona Hospital and Healthcare Association, along with business and health care leaders from across the state, have voiced their support of Governor Brewer's proposal.

In 2012, Cobre Valley Regional Medical Center, provided over \$2.3 million in uncompensated or charity care, this is a 50% increase over 2011. This increase in cost was due to significant Medicaid changes enacted in an effort to balance the state budget. According to the governor's office, there were 227,000 childless adults enrolled in July 2011, and as of this month there are 86,000 – a 141,000 drop in enrollment. "Many hospitals are dramatically feeling the financial effects of the reduction of AHCCCS payments. Their financial resources have been diminished

significantly thus, making future investments in providing health care more difficult and challenging,” stated Jim Childers, CVRMC Chief Financial Officer. “CVRMC has had its financial challenges this past year but has continued to maintain and grow services in the region but, without the expansion of Medicaid, future growth will be affected.”

The State’s general fund will not be on the hook for funding the program. Arizona will use a provider fee assessed on hospitals to draw down federal funds, which will then be used to pay providers who treat these patients. Arizona’s fiscally conservative adversaries may view Governor Brewer’s decision as opportunistic, unprincipled, or an inability to “stick to her guns.” The reality is many Arizona families are uninsured and may not seek necessary medical attention when needed. Governor Brewer and CVRMC have the same mission regarding health care and that is a steadfast commitment to the people they serve.